23 February 1976

## MEMORANDUM FOR THE RECORD

SUBJECT: Discussion with Hardy and Cargill Regarding
February Executive Order

- 1. I called Cargill and Hardy today. Both work at the White House. They had been members of the Rockefeller Commission Staff and had been kept on to help with White House staffing of the Executive Order pertaining to the Intelligence Community. I asked them for their understanding of what was meant in the Executive Order in charging the CFI with the responsibility to "establish policy for the management of the NFIP".
- 2. They explained that the language choice for this paragraph was left very general so that the CFI over time could develop its own criteria for this particular formulation. It was felt that the CFI should be endowed with some kind of authority to issue policy guidance as it saw fit. Otherwise, the CFI would have authority only in a narrow field relating to resources.
- 3. The formulation employed permits the CFI to issue budget guidance. It permits the CFI to articulate priority needs for particular areas of concentration of intelligence activities and assets. It would permit the issuance of advice and guidance aimed at personnel career development (for example, amplifying the need to spend more on analysis) or such matters as how much of the NFIP budget is available for external contracting.
- 4. The whole idea flows from an earlier formulation which described the CFI as the Community's "board of directors". That reference was thought to be a particular jargonistic term and too general and thus replaced with the phrasing in question.

E. H. Knoche

**STAT**